



VIDI

RECORDABLE DVD CONTENT PROTECTION SYSTEM CERTIFIED FOR USE WITH THE BROADCAST FLAG (MB DOCKET NO. 04-60)

Vidi Protects DTV Content, When Recorded Onto DVD, From Indiscriminate Redistribution Over The Internet

- Vidi is an encryption-based technology that, when triggered by the Broadcast Flag, prohibits the indiscriminate redistribution of digital broadcast television (DTV) content that has been recorded onto removable media, specifically Digital Versatile Discs (DVD) in the DVD+RW, DVD+R and DVD+R Double Layer formats.¹
- Vidi is designed to protect a single, important element in consumers' home entertainment/media environment: removable media. In so doing, Vidi ensures that DVD recorders and play-back devices, both in CE devices and PCs, respect and preserve the "unbroken chain" of protection for "flagged" DTV content.
- Philips and HP urge FCC approval of Vidi as soon as possible.

How Vidi Works

- The Vidi system requires the use of a new type of recordable DVD, a "Vidi DVD," which contains cryptographic keys to authenticate any Vidi-compliant device or Vidi-compliant player/recorder software. Only Vidi drives and Vidi software applications will be able to use Vidi DVDs to record or play Vidi-encrypted recordings of Marked or Unscreened digital broadcast video content. Vidi drives and Vidi software applications will refuse to make recordings of Marked or Unscreened digital broadcast video content on non-Vidi blank media.
- A Vidi-compliant device will output digital forms of protected DTV content (played from a Vidi DVD) only using FCC-approved output technologies, all of which prevent indiscriminate redistribution over the Internet.

Vidi Preserves Consumers' Use and Enjoyment of DTV

- Vidi meets consumer expectations in the evolving digital media marketplace by ensuring, within the context of an encryption-based content protection regime, that consumers may use their existing DVDs on new Vidi-compliant devices, and that content recorded on a

¹ Vidi also will protect recordings of cable and satellite-delivered content marked as Copy One Generation to a level and subject to rules comparable to those provided under the DFAST license, and will refuse to make recordings of content marked Copy Never or Copy No More. However, these types of protection are irrelevant in the Broadcast Flag context. Philips and HP expect to seek approval for Vidi for use with cable and satellite content in connection with the Commission's Plug & Play proceeding.

Vidi device that is not restricted by the Broadcast Flag is playable on legacy DVD player/recording devices.

- Consumers have also come to expect that they may readily record broadcast programming for later viewing. Vidi will in no way interfere with consumers' ability to record digital broadcast programming easily, yet will faithfully adhere to the Commission's policy of prohibiting the indiscriminate redistribution of digital broadcast content. Additionally, consumers will be able to use Vidi-compliant devices to continue to enjoy their existing content libraries.

Vidi Is Interoperable With All Other FCC-Approved Digital Broadcast Content Protection Technologies

- The Vidi system will be completely and seamlessly interoperate with any and all other digital broadcast content protection technologies approved for use with the Broadcast Flag by the FCC.
- Because the Vidi system focuses exclusively on only one "link" in the "chain of custody" required to protect content in an encryption environment – protection of content when stored on removable media – full interoperability with all other technologies handling that content not only is desirable, it should be mandatory, absent compelling circumstances.

Vidi Permits Renewability/Revocation While Preserving The Use of Compliant Devices

- Vidi's reliance on hardware, removable media and software for implementation of content protection provides for redundant security and renewability of the system. Vidi cannot be compromised merely by an attack on one component of the system. In the event a device is compromised, the encryption keys included in the Vidi DVDs themselves will be amended to exclude the keys associated with the compromised device. This ensures that compromised devices are revoked, while preserving the use of compliant devices by innocent parties, thus providing a concrete, reliable means of revocation of compromised devices.

Vidi Will Be Made Available on Reasonable and Nondiscriminatory Terms & Conditions

- Vidi will be made available on reasonable and nondiscriminatory terms and conditions. The Vidi agreement contains provisions designed to protect competition in the development of content protection technology and devices. For example:
 - Implementers are not required to sign away their own intellectual property without compensation under a non-assert.
 - The license avoids first-mover advantage by permitting only very limited changes and by requiring an open process that includes both content participants and implementers.

- The Vidi compliance rules applicable to digital broadcast content are modeled closely after the rules applicable to Covered Demodulator Products directly subject to the FCC's own regulation, thus providing a consistent level of content protection throughout the system and ensuring that *all* FCC-approved output and recording protection technologies can be used by a Vidi product.
- Vidi licensing will be transparent, consistent from one licensee to the next, and will include a “most favored nation” provision ensuring that all licensees benefit from the same favorable terms.
- The license agreement includes strong enforcement provisions, including both liquidated damages and third party beneficiary rights for content participants. The fees charged are generally below those charged for comparable content protection systems.